

Message Text

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51

ACTION AID-59

INFO OCT-01 NEA-10 ISO-00 IGA-02 EB-11 COME-00 OPIC-12

CIAE-00 INR-10 NSAE-00 RSC-01 EUR-25 DRC-01 /132 W

----- 100975

R 270714Z MAR 74

FM AMEMBASSY KUWAIT

TO SECSTATE WASHDC 9137

INFO AMEMBASSY ABU DHABI

AMEMBASSY BEIRUT

AMEMBASSY CAIRO

AMEMBASSY JIDDA

AMEMBASSY MANAMA

AMEMBASSY MUSCAT

AMEMBASSY TEHRAN

LIMITED OFFICIAL USE KUWAIT 1174

E.O. 11652: N/A

TAGS: EAID, ETRD, KU, BA

SUBJECT: IESC OFFICERS VISIT KUWAIT

REF: STATE 48767 (NOTAL)

SUMMARY: TOP IESC OFFICERS VISITED KUWAIT MARCH 15-18 FOR MEETINGS WITH LOCAL BUSINESSMEN, AMBASSADOR AND EMBOFFS AND OTHERS. WE BRIEFED THEM ON CURRENT THINKING RE PROMOTION TECHNICAL SERVICES IN KUWAIT AND THEY INFORMED US OF IESC PLANS IN REGION. IESC GAINING GOOD REPUTATION AND HAVE SEVERAL PROJECTS UNDERWAY OR PLANNED IN KUWAIT. IESC EXECUTIVE VICE-PRESIDENT INDICATED ORGANIZATION WILL BE HOPING TO BE MORE ACTIVE IN EGYPT. AMBASSADOR URGED IESC OFFICERS TO TAKE GOOD LOOK AT PROSPECTS IN ABU DHABI. ALTHOUGH IESC APPEARS TO BE USEFUL VEHICLE FOR PROMOTION US INTEREST IN REGION, IN SOME OF THE GULF STATES THE MAY APPEAR TO BE EXPENSIVE. FOR THEIR PART, IESC IS SUBJECT TO QUESTIONING, OF LENDING ASSISTANCE TO WEALTHY OIL PRODUCING STATES. END SUMMARY.

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1. SENIOR IESC OFFICERS FROM NEW YORK, HOPKINS AND CARLEBACH,

TOGETHER WITH SHAFFER FROM BEIRUT VISITED KUWAIT MARCH 15-18. WHILE HERE, THEY MET WITH AMBASSADOR AND EMBOFFS TO DISCUSS IESC ACTIVITIES IN KUWAIT AND LOWER GULF. MOST OF THEIR TIME WAS SPENT VISITING COMPANIES WHO HAVE REQUESTED IESC HELP OR WITH POTENTIAL CUSTOMERS. IN ADDITION, IESC GROUP MET WITH KOC MANAGER, STRAND, AND KUWAIT PLANNING BOARD DIRECTOR DUAJJ.

2. AS INSTRUCTED REFTEL, EMBOFF BRIEFED IESC OFFICERS ON CURRENT THINKING REGARDING PROMOTION TECHNICAL SERVICES IN KUWAIT. IESC GROUP APPRECIATED BRIEFING AND INDICATED THAT THEY TOO ARE CONTINUING TO REVIEW THEIR POLICIES AND PROGRAMS FOR THIS AREA. THEY INDICATED THAT IESC IN GENERAL PREFERS TO MAINTAIN ITS INDEPENDENCE AND A DISTINCT IDENTITY SEPARATE FROM THE USG. IN ADDITION, THEY DO NOT WANT TO BE SEEN OUTSIDE US TO BE ESSENTIALLY A TRADE PROMOTION DEVICE. ON OTHER HAND, THEY ANTICIPATE QUESTIONS BY THEIR BOARD AND BY THE PUBLIC AS TO WHY THEY PROVIDE SERVICES TO SUCH WEALTHY COUNTRIES AS KUWAIT. THEY DO NOT WANT TO HELP INDIVIDUAL BUSINESSMEN WITH PRIVATE MONEY MAKING SCHEMES EXCEPT TO EXTENT THAT PRIVATE SECTOR PROJECTS ARE IN CONSONANCE WITH AND IN FURTHERANCE OF LOCAL DEVELOPMENT AIMS OF COUNTRY.

3. AMBASSADOR AND EMBOFF TOLD THEM THAT IN KUWAIT IESC HAS GOOD REPUTATION WITH PRIVATE SECTOR AND WITH GOVERNMENT OWNED COMPANIES SUCH AS SAVINGS AND CREDIT BANK. FYI IESC UNDERTOOK EIGHT PROJECTS HERE IN 1973 AND LOOKS AS THOUGH THEY WILL HAVE ABOUT THAT MANY IN 1974 AS WELL. END FYI. WE ALSO POINTED OUT THAT GOK IS PUSHING INDUSTRIALIZATION AND DIVERSIFICATION OF ECONOMY AND THAT IMPORTANT PART OF THIS IS EXPANSION OF PRIVATE SECTOR. THEREFORE, IN KUWAIT AT LEAST, IESC ASSISTANCE TO PRIVATE COMPANIES ESPECIALLY THOSE CONSIDERING NEW PROJECTS IS CONSISTENT WITH GOK POLICY.

4. WE ALSO URGED IESC OFFICERS TO TAKE FURTHER GOOD LOOK AT PROSPECTS IN UAE - PARTICULARLY IN ABU DHABI WHICH IS LONG ON MONEY AND SHORT ON BUSINESS MANAGEMENT SKILLS.

5. IESC EXECUTIVE VICE PRESIDENT, HOPKINS, TOLD US HE WOULD BE VISITING CAIRO AND THAT IESC HOPES TO BECOME ACTIVE IN EGYPT AT THE SUGGESTION OF DAVID ROCKEFELLER. KUWAIT DIRECTOR LIMITED OFFICIAL USE

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GENERAL PLANNING BOARD, AHMAD DUAJJ, WHO IS MEMBER OF KUWAIT/ EGYPT ECONOMIC COMMITTEE WHICH COORDINATES MAJOR KUWAIT/EGYPT ECONOMIC PROJECTS, TOOK TIME OUT OF VERY BUSY SCHEDULE TO SEE HOPKINS WHO TOLD EMBOFF DUAJJ WAS VERY INTERESTED IN IESC ROLE IN EGYPT. DUAJJ ENCOURAGED HOPKINS TO PURSUE HIS PLANS.

6. COMMENT: IESC VISIT TO KUWAIT SEEMED USEFUL PRIMARILY IN PROVIDING SENIOR NEW YORK OFFICIALS WITH FIRST HAND VIEW OF

LOCAL SITUATION. IESC, AS FAR AS WE CAN TELL, IS GAINING QUIETLY SOLID REPUTATION IN PRIVATE SECTOR. WE THINK THE LEVEL AND SCOPE OF THEIR CURRENT ACTIVITIES HERE IS JUST ABOUT RIGHT AND THAT IT IS BOTH HELPFUL TO THE KUWAITIS AND BENEFICIAL FOR US INTERESTS.

7. WE HAVE A MEMORANDUM FROM EMBASSY MANAMA, HOWEVER WHICH INDICATES THAT IESC, AT \$12,000 FOR A THREE-MONTH CONTRACT, IS LIKELY TO BE TOO EXPENSIVE FOR ANY GOB AGENCY TO JUSTIFY TO THE MINISTER OF FINANCE. EMBASSY MANAMA POINTS OUT THAT BRITISH AND INDIAN EMPLOYEES AND PEACE CORPS VOLUNTEERS ARE AVAILABLE AT MUCH LOWER COST. WE NOTE THAT IESC REPS TOLD US THEY UNDER SOME PRESSURE TO INCREASE FEES IN RELATIVELY RICH COUNTRIES (WHICH OF COURSE BAHRAIN IS NOT). THEY ALSO NOTED THAT WITHOUT ADEQUATE HOTEL OR LIVING ACCOMODATIONS AS MAY BE THE CASE IN THE LOWER GULF, IT MAY BE DIFFICULT TO ATTRACT QUALIFIED VOLUNTEERS.
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Message Attributes

Automatic Decaptioning: X
Capture Date: 01 JAN 1994
Channel Indicators: n/a
Current Classification: UNCLASSIFIED
Concepts: TECHNICAL ASSISTANCE, ECONOMIC DEVELOPMENT, TRADE PROMOTION, VISITS, BANK LOANS
Control Number: n/a
Copy: SINGLE
Draft Date: 27 MAR 1974
Decaption Date: 01 JAN 1960
Decaption Note:
Disposition Action: RELEASED
Disposition Approved on Date:
Disposition Authority: morefirh
Disposition Case Number: n/a
Disposition Comment: 25 YEAR REVIEW
Disposition Date: 28 MAY 2004
Disposition Event:
Disposition History: n/a
Disposition Reason:
Disposition Remarks:
Document Number: 1974KUWAIT01174
Document Source: CORE
Document Unique ID: 00
Drafter: n/a
Enclosure: n/a
Executive Order: N/A
Errors: N/A
Film Number: D740066-0207
From: KUWAIT
Handling Restrictions: n/a
Image Path:
ISecure: 1
Legacy Key: link1974/newtext/t19740312/aaaaaknf.tel
Line Count: 132
Locator: TEXT ON-LINE, ON MICROFILM
Office: ACTION AID
Original Classification: LIMITED OFFICIAL USE
Original Handling Restrictions: n/a
Original Previous Classification: n/a
Original Previous Handling Restrictions: n/a
Page Count: 3
Previous Channel Indicators:
Previous Classification: LIMITED OFFICIAL USE
Previous Handling Restrictions: n/a
Reference: STATE 48767 (NOTAL)
Review Action: RELEASED, APPROVED
Review Authority: morefirh
Review Comment: n/a
Review Content Flags:
Review Date: 15 JUL 2002
Review Event:
Review Exemptions: n/a
Review History: RELEASED <15 JUL 2002 by kelleyw0>; APPROVED <30 JUL 2002 by morefirh>
Review Markings:

Declassified/Released
US Department of State
EO Systematic Review
30 JUN 2005

Review Media Identifier:
Review Referrals: n/a
Review Release Date: n/a
Review Release Event: n/a
Review Transfer Date:
Review Withdrawn Fields: n/a
Secure: OPEN
Status: NATIVE
Subject: IESC OFFICERS VISIT KUWAIT
TAGS: EAID, ETRD, KU, BA, IESC
To: STATE
Type: TE
Markings: Declassified/Released US Department of State EO Systematic Review 30 JUN 2005